

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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In the Matter of:

RATE ADJUSTMENT OF JACKSON)
COUNTY RURAL ELECTRIC) CASE NO. 8647
COOPERATIVE CORPORATION)

O R D E R

IT IS ORDERED that Jackson County Rural Electric Cooperative Corporation ("Jackson County") shall file an original and eight copies of the following information with the Commission, with a copy to all parties of record by January 10, 1983. If neither the requested information nor a motion for an extension of time is filed by the stated date, the case may be dismissed.

Information Request No. 2

1. Provide any cost saving measures the company has undertaken or plans to undertake. For each measure provide a dollar estimate of the current and projected cost savings the company has realized or expects to realize as a result of implementing the measures. Provide a narrative description and applicable work papers to support the estimates of the effects of these measures on the test period.

2. Provide a detailed analysis of the costs incurred for this rate case and the last general rate case. This should include the amounts paid in salaries, fees, retainers, and expenses of counsel, accountants, engineers, clerks and witnesses, etc,

The analysis should show the date, payee, dollar amount and a description of each expenditure.

3. On Exhibit J, page 34, you show a column for mandatory savings. Explain this plan and how the amounts are determined for each employee.

4. Submit the work papers in support of adjustment 9 on Exhibit J, page 38, for the retirement program, supplemental savings and disability expenses. Explain all components used in the calculation. Show the employee contribution to each plan.

5. On Exhibit S, you propose a rate of return on members' equity of 13.6 percent. Provide an explanation as to how the return was derived. Include all assumptions, calculations and methodologies used to calculate the return.

6. On Exhibit Z, page 12, you show annual meeting expenses of \$23,198. Provide a detailed breakdown of the items comprising this account.

7. Provide an explanation for the increase in Account 930,2-1 Director Fees and Expenses and Account 930,2-3 Annual Meeting and Rural Kentuckian from the 12-months ended June 30, 1981, to June 30, 1982, as shown on page 5 of Exhibit 13.

8. Reconcile the differences between the total salaries and wages of \$1,760,887 as shown on page 33 of Exhibit J and the total salaries and wages of \$1,792,211 shown on page 1 of Exhibit 5.

9. On Exhibit 15, pages 4 of 15, 6 of 15, 8 of 15 and 11 of 15, an increase in the minimum monthly charge for schedules 30,

33, 40 and 43 was proposed (from \$1.00 per KVA of installed transformer capacity of \$32.90 to \$1.20 per KVA of installed transformer capacity or \$37.00). How were the amounts of increase to these charges determined?

10. On Exhibit 15, page 13 of 15, an increase in the minimum annual charge for schedule 52 was proposed (from \$12.00 per KVA to \$14.40 per KVA). How was the amount of this increase determined?

11. How were the proposed rates in items 9 and 10 above reflected in the determination of proposed test period revenue?

12. Ref: Exhibit 15, page 4, Schedule 30

Why should there be both a KW demand charge plus a minimum monthly charge per KVA of installed transformer capacity.

13. Ref: Exhibit 15, page 8, Schedule 40 and page 10, Schedule 43

Why is the power factor penalty on such a low power factor. Shouldn't the penalty be invoked to encourage the customer to maintain higher than 80 percent and 85 percent power factor respectively.

Done at Frankfort, Kentucky, this 21st day of December, 1982.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:

Secretary